# STATE OF MINNESOTA DEPARTMENT OF COMMERCE

## BULLETIN 88-7

To: All Insurers Who Write Medicare Supplements Insurance in Minnesota

As soon as practicable, but no later than thirty (30) days prior to the annual effective date of any Medicare benefit changes, every insurer, health care service plan or other entity providing Medicare supplement insurance or benefits to a resident of this State shall notify its policyholders, contractholders and certificateholders of modifications it has made to Medicare supplement insurance policies or contracts in a format acceptable to the Commissioner. For the years 1989 and 1990 and if prescription drugs are covered in 1991, such notice shall be in a format prescribed by the Commissioner or in the format prescribed in Appendixes A,B and C if no other format is prescribed by the Commissioner. In addition, such notice shall:

- (a) Include a description of revisions to the Medicare program and a description of each modification made to the coverage provided under the Medicare supplement insurance policy or contract, and
- (b) Inform each covered person as to when any premium adjustment is to be made due to changes in Medicare.

The notice of benefit modifications and any premium adjustments shall be in outline form and in clear and simple terms so as to facilitate comprehension.

Such notices shall not contain or be accompanied by any solicitation.

All questions in regard to this Bulletin should be directed to the Life and Health Section of Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101, to the attention of John E. Gross, Senior Commerce Analyst, (612) 296-6929.

Michael A. Hateh

Commissioner of Commerce

Noted this 24 day of October 1988

### (CCMPANY NAME]

## NOTICE OF CHANGES IN MEDICARE AND TOUR MEDICARE SUPPLEMENT INSURANCE - 1989

YOUR HEALTH CARE BENEFITS PROVIDED BY THE FEDERAL MEDICARE PROCRAH WILL CHANGE BECINNING JANUARY 1, 1089. ADDITIONAL CHANGES WILL OCCUR ON HEDICAL BENEFITS IN FOLLOUING YEARS. THE MAJOR CHANGES ARE SUHHARIZED BELOW. THESE CHANGES WILL AFFECT HOSPITAL, MEDICAL AM) OTHER SERVICES AND SUPPLIES PROVIDED UNDER MEDICARE. BECAUSE OF THESE CHANGES, YOUR MEDICARE SUPPLEMENT COVERAGE PROVIDED BY (COMPANY NAME) WILL CHANGE, ALSO. THE FOLLOWING OUTLINE BRIEFLY DESCRIBES THE NODIFICATIONS IN MEDICARE AND IN YOUR MEDICARE SUPPLEMENT COVERAGE. PLEASE READ CAREFULLY!

(A BRIEF DESCRIPTION OF THE REVISIONS TO MEDICARE PARTS A & S WITH A PARALLEL DESCRIPTION OF SUPPLEMENTAL BENEFITS WITH SUBSEQUENT CHANGES, INCLUDING DOLLAR AMOUNTS, PROVIDED BY THE MEDICARE SUPPLEMENT COVERAGE IN SUBSTANTIALLY THE FOLLOWING FORMAT.]

SERVICES

### MEDICARE BENEFITS

YOUR MEDICARE SUPPLEMENT COVERAGE

	Medicare Now Pays Par Benefit Period	Effective January 1, 1989 Medicare Uitl Pay Per Calendar Year	Your 1988 Coverage Per Benefit Period	Effective January 1, 1989 Your Coverage Will Pay Per Calendar Tear
MEDICARE PART A	First 60 daye -	Unlimited number of		

SERVICES AND SUPPLIES First 60 days -All but \$\$40 Unlimited number of hospital days after \$(564) deductible

61st to 90th day - All but \$135 a day

91st to 150th day All but \$270 a day
(ff indfvidual
chooses to usa 60
nonraneuabla lifetima
reserve days)

Beyond 150th day - Nothing

SKILLED NURSING FACILITY CARE Requires a 3 day prior stay and enter the facility ganarally within 30 days after hospital discharge

There is no prior confinement requirement for this benefit

First 20 days -100% of costs First 8 days - All but t(22.00) a day

21st through 100th day -All but \$67.50 a day 9th through 150th day - 100% of costs

Beyond 100 days -Nothing

Beyond 150 days -Nothing SERVICES

## MEDICARE SENEFITS

# YOUR MEDICARE SUPPLEMENT COVERAGE

	Medicare Now Pays Per Calendar Year	In 1969 Medicare Part 8 Pays the Sawe as in 1988	Your Policy Nou Pays	Effective January 1, 1, 27 Your Policy Will Pay
MEDICARE PART 8	80% of allowabte	NOTE: Medicare benefits		
SERVICES AND	charges (after \$75	change on January 1,		
SUPPLIES	deductible)	1990 aa follous:		
		SO% of allowable		
		charges (after \$[75]		
		deductible) until an		
		annual Medicare Catastrophic		
		limit is met. 100% of		
		allowable charges for the	•	
		remainder of the calendar ye	ar.	
		The Limit in 1990 is \$1370*		
		and will be adjusted on an annuel basis.		
		annuet dasis.		
PRESCRIPTION	Inpatient prescription	In 1989 Medieare covers		
DRUCS .	drugs only	inpetient prescription drugs		
		only.		
		Effective January 1, 1990		
		<u>Per Calendar Yeer</u>		
		SOX of allowable charges for		
	•	hamma intravenous (IV) therap	y	
		drugs and 50% of allowable		
		charges for immunosuppresive	1	
		drugs after (t550 in 1990)		
		calendar year deductible is		
		met.		
	, ,	Effective January 1, 1991		•
		Per Calendar Year		
		inpatient prescription drugs	:	
		50% of atlouable charges for	all	
		other outpatient prescriptio	n drugs	
		after a \$600 calendar year		
		deductible is met (the deduc	tible	
		will chenge). Coverage will		
		increase to 60% of allowable		
		charges in 1992 and to 80% o	f	
		allowable charges from 1993	on.	

\*Expenses that count toward the Part 8 Medicare Catastrophic Limit include: the Part 8 deductible and copayment charges and the Part 8 blood deductible charges.

[ANY ADDITIONAL BENEFITS]

(Describe any coverage provisions changing due to Medicare modifications.)

(Include information about premium adjustments that may be necessary due to changes in Medicare cenefits, or when promise changes, information will be sent.)

THIS CHART SUMMARIZING THE CHANGES IN TOUR MEDICARE BENEFITS AND IN YOUR MEDICARE SUPPLEMENT PROVIDED BY [COMPANY] ON A BRIEFLY DESCRIBES SUCH BENEFITS. FOR INFORMATION ON YOUR MEDICARE BENEFITS CONTACT YOUR SOCIAL SECURITY OFFICE OF THE HEALTH CARE FINANCING ADMINISTRATION. FOI INFORMATION ON YOUR MEDICARE SUPPLEMENT (Policy) CONTACT:

[COMPANT OR FOR AM INDIVIDUAL POLICY - NAME OF AGENT] [A

(ADDRESS/PHONE NUMBER)

# COMPANY NAME] NOTICE OF CHANGES IN MEDICARE AND YOUR MEDICARE SUPPLEMENT COVERAGE - 1990

YOUR HEALTH CARE BENEFITS PROVIDED BY THE FEDERAL MEDICARE PROGRAM WILL CHANGE BEGINNING January 1, 1990 ADDITIONAL CHANGES WILL OCCUR IN MEDICAL BENEFITS IN FOLLOWING YEARS. THE MAJOR CHANGES ARE SUMMARIZED BELOW. THESE CHANGES WILL AFFECT HOSPITAL, MEDICAL ALO OTHER SERVICES AND SUPPLIES PROVIDED UNDER MEDICARE. BECAUSE OF THESE CHANGES YOUR MEDICARE SUPPLEMENT COVERAGE PROVIDED BY [COMPANY NAME] WILL CHANGE, ALSO. THE FOLLOWING OUTLINE BRIEFLY DESCRIBES THE MCDIFICATIONS IN MEDICARE AND IN TOUR MEDICARE SUPPLEMENT COVERAGE. PLEASE READ THIS CAREFULLY!

LA BRIEF DESCRIPTION OF THE REVISIONS TO MEDICARE PARTS A & B WITH A PARALLEL DESCRIPTION OF SUPPLEMENTAL BENEFITS WITH SUBSEQUENT CHANGES, INCLUDING DOLLAR AMOUNTS, PROVIDED BY THE MEDICARE SUPPLEMENT COVERAGE IN SUBSTANTIALLY THE FOLLOWING FORMAT.]

SERVICES

## MEDICARE BENEFITS

YOUR MEDICARE SUPPLEMENT COVERAGE

Effective January 1, Your Coverage Now Effective January 1, 1990
Medicare Nou Pays 1990, Medicare Uill Pay Pays Per Calendar Tour Coverage Uill Pay
Per Calendar Year Year Year Per Calendar Year

MEDICARE PART A
SERVICES AND
SUPPLIES

Unlimited number of hospital days after \$[564] deductible

SKILLED NURSING FACILITY CARE

There is no prior confinement requirement for this benefit

First 8 days - All but S[ ] a day

9th through 150th day - 100% of costs

Beyond 150 days -Mothing Medicare Now Pays

Effective January 1, 1990 Madicare Uill Pay Per Celendar Year Your Coverage How Pays Per Calendar Year Effective January 1, 1991 Your Coverage Will Pay Per Calendar Year

MEDICARE PART 8 SERVICES AND SUPPLIES 80% of allowable charges (after \$T5 deductible) until an annual Hedicare Catastrophic Limit is mat. 100% of allowable charges for the remainder of the calendar year. The limit in 1990 is \$1370 and will be adjusted on an annual basis.

PRESCRIPTION DRUGS

Inpatient prescription drugs.
SOX of allowable charges for home intravenous (IV) therapy drugs and SOX of allowable charges for immtanosuppressive drugs after (\$550 in 1990) calendar year deductible is met.

\*Expenses that count toward the Part 8 Medicare Catastrophic Limit include: the Part 8 deductible and copayment charges and the Part 8 blood deductible charges.

[ANY ADDITIONAL BENEFITS]

[Describe any coverage provisions changing due to Medieare modifications.]

[Include information about premius adjustments that may be necessary due to changes in Medicare benefits, or when premium changes, information will be sent.]

THIS CHART SUMMARIZING THE CHANGES IN YOUR MEDICARE BENEFITS AND IN YOUR MEDICARE SUPPLEMENT PROVIDED BY (COMPANY) ONLY BRIEFLY DESCRIBES SUCH BEHEFITS. FOR INFORMATION ON YOUR MEDICARE BENEFITS CONTACT TOUR SOCIAL SECURITY OFFICE OR THE HEALTH CARE FINANCING ADMINISTRATION. FOR INFORMATION ON YOUR MEDICARE SUPPLEMENT (Policy) CONTACT:

[CCHPANY OR FOR AN INDIVIDUAL POL. . WAME OF AGENT] [ADDRESS/PHONE NUMBER]

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YOUR HEALTH CARE BENEFITS PROVIDED BY THE FEDERAL MEDICARE PROGRAM WILL CHANGE BEGINNING Jamuary 1, 1991 ADDITIONAL CHANGES WILL OCCUR IN HEDICAL BENEFITS IN FOLLOWING YEARS. THE MAJOR CHANGES ARE SUMMARIZED SELOW. THESE CHANGES WILL AFFECT HOSPITAL, HEDICAL AND OTHER SERVICES AND SUPPLIES PROVIDED UNDER MEDICARE. BECAUSE OF THESE CHANGES YOUR MEDICARE SUPPLEMENT COVERAGE PROVIDED BY [COMPANY NAME] WILL CHANGE, ALSO. THE FOLLOWING OUTLINE BRIEFLY DESCRIBES THE MCDIFICATIONS IN MEDICARE AND IN YOUR NEDICARE SUPPLEMENT COVERAGE. PLEASE READ THIS CAREFULLY)

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SERVICES

### MEDICARE BENEFITS

YOUR MEDICARE SUPPLEMENT COVERAGE

Your Coverage Nou Effective January 1, Effective January 1, 1991 Pays Per Calendar Medicare Nou Pays 1991 Medicare Uill Pay Your Coverage Will Pay Per Calendar Year Year\_\_\_\_ Per Calendar Year Per Calendar Year MEDICARE PART A Unlinited number of SERVICES AND hospital days after SUPPLIES \$[ ] deductible

SKILLED NURSING FACILITY CARE

There is no prior confinement requirement for this benefit

First 8 days All but S[ ] a day

9th through 150th day - 100% of costs

Beyond 150 days -Nothing Hadfeare Now Paye Per Calender Year Effective January 1, 1991 Medicare Uill Pay Per Calendar Tear Your Coverage Now Pays Per Calendar Year Effective January 1, 1991 Your Coverage Witl Pay Per Calendar Year

HEDICARC PART S SERVICES AUD SUPPLIES \$0% of allouable charges (after \$79 deductible)
Until an annual Medicare
Cstastrophic Limit is met.
100% of allouable charges
for the remainder of the
Calendar year. The limit
in 1991 is \$( ) and will
be adjusted on an annual
basis.

PRESCRIPTION DRUGS

Inpatiant prescription drugs. SO% of allowable charges for all other outpatient prescription drugs, jamil \$600 calendar year deductible is net.

Inpatient prescription drugs 60% of allowable charges for all other outpatient prescription drugs, until \$652 calendar year deductible is mat. Coverage will increase to \$0% of allowable charges from 1993 on, and deductible will be adjusted on an annual basis.

\*Expanses that count toward the Part B Medieare Catastrophic Limit include: the Part B deductible and copayment charges and the Part B blood deductible charges.

[ANT ADDITIONAL BENEFITS]

[Dascriba any coverage provisione changing due to Medicare modifications.]

(Include information about premius adjustments that may be necessary due to changes in Medicare benefits, or when premius changes, information will be sent.)

THIS CHART SUMMARIZINS THE CHANGES IN YOUR MEDICARE BENEFITS AND IN YOUR MEDICARE SUPPLEMENT PROVIDED BY (COMPANY) ONLY BRIEFLY DESCRIBES SUCH BENEFITS. FOR INFORMATION ON YOUR MEDICARE BENEFITS CONTACT YOUR SOCIAL SECURITY OFFICE OR THE HEALTH CARE FINANCING ADMINISTRATION. FOR INFORMATION ON YOUR MEDICARE SUPPLEMENT (Policy) CONTACT:

(COMPANY OR FOR AN INDIVIDUAL POLICY - NAME OF AGENT)

[ADDRESS/PHONE NUMBER]